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OFFICE OF THE  
February 16, 2001  
EXECUTIVE SECRETARY

Mr. David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

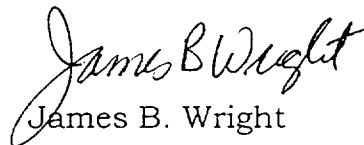
Re: Docket No. 97-00409: All Telephone Companies Tariff Filings  
Regarding Reclassification of Pay Telephone Service.  
UTSE Comments regarding deaveraging

Dear Mr. Waddell:

Pursuant to the February 1, 2001 Interim Order issued in the above docket, enclosed for filing are the original and thirteen copies of United Telephone-Southeast, Inc.'s Comments regarding deaveraging payphone service line rates.

Please contact me if you have any questions.

Sincerely,

  
James B. Wright

Enclosures

cc: Dennis Wagner  
Laura Sykora  
Kaye Odum  
Parties of Record (with enclosure)

CERTIFICATE OF SERVICE; DOCKET 97-00409  
(Pay Telephone Service Reclassification)

The undersigned hereby certifies that on February 16, 2001 the foregoing United Telephone-Southeast, Inc. document was served upon the following parties of record by fax or by depositing in the U.S mail addressed as follows:

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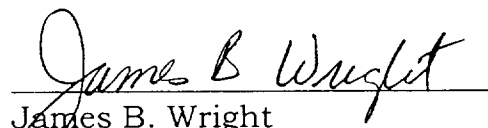
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James B. Wright

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

In Re: All Telephone Companies Tariff Filings Regarding Reclassification of Pay  
Telephone Service As Required By Federal Communications Commission (FCC)  
Docket 96-128.

Docket No. 97-00409

**COMMENTS OF UNITED TELEPHONE - SOUTHEAST CONCERNING THE  
DEAVERAGING OF PAYPHONE LINE SERVICE RATES**

The Tennessee Regulatory Authority ("TRA"), in its February 1, 2001 *Interim Order*, requested the parties to file comments on the deaveraging of payphone line service rates.

United Telephone – Southeast, Inc. (hereinafter "Sprint") believes that payphone service line rates should be based upon a company-wide average. Per the Federal Communications Commission, the payphone service lines at issue in this proceeding are retail services. Also, the TRA has determined, and Sprint agrees, that the payphone service lines at issue in this proceeding are “. . . complete retail services as opposed to UNEs . . .” (Interim Order, page 15). The economics and rules governing network elements call for their geographic deaveraging; however, network elements are an incomplete wholesale service and not a complete retail service. While current payphone service line rates are deaveraged into General Subscriber Services Tariff rate groups, Sprint has shown in the TRA's Line Sharing docket (No. 00-00544) that these rate groups have a most inexact relationship to actual costs.

Instead of accepting the current rates, the Tennessee Payphone Owners Association has asked for rates consistent with the new services test. This test requires Sprint's payphone service line rates be set at its direct cost of providing payphone line

service plus a reasonable overhead. The test does not require geographic rate deaveraging. Absent a legal requirement to deaverage, and with no otherwise compelling reason to do so, Sprint believes a company-wide rate should be used in this case.

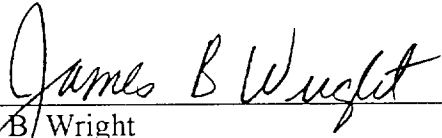
In the event the TRA does order deaveraging, Sprint recommends the TRA take into consideration administrative simplicity. First, any deaveraged rates should be made prospective only and not play a factor in the refund process. Second, Sprint recommends that only the local loop component of the payphone line rate be deaveraged, as it believes the geographic cost differences in the switching and transport components are immaterial in this context. And third, the deaveraging should be kept to just two groups so as to reflect urban and rural differences.

In summary, Sprint urges the TRA to use company-wide payphone line rates which are not deaveraged, but in the event deaveraging is ordered, the above factors be considered.

Respectfully submitted this 16<sup>th</sup> day of February, 2001.

UNITED TELEPHONE-SOUTHEAST, INC.

By

  
James B. Wright

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Wake Forest, NC 27587